

RG 104, 8NS-104-94-077
Box 7

8NS-104-94-077, Miscellaneous
Correspondence & Memos, 1897-1994

Mutilation
of Paper Currency / Coins

EXCHANGE OF MUTILATED PAPER CURRENCY

Lawfully held paper currency of the United States which has been mutilated will be exchanged at its face amount if clearly more than one-half of the original whole note remains.

Fragments of such mutilated currency which are not clearly more than one-half of the original whole note will be exchanged at face value only if the Treasurer of the United States is satisfied that the missing portions have been totally destroyed. His judgment shall be based on such evidence of total destruction as he deems necessary and shall be final.

No relief will be granted an account of paper currency of the United States which has been totally destroyed.

The public should address all correspondence regarding mutilated currency to the Office of the Treasurer of the United States, Room 1123, Main Treasury Building, Washington, D. C. 20220.

Mint notes policy on mutilated coins

How does the United States Mint treat mutilated coins? *Coin World* prints the regulations relative to the redemption and disposal of these coins:

"There are three categories for the exchange of coins," the guidelines state: "(1) exchange of uncurrent coins; (2) exchange of bent and partial coins; and (3) exchange of fused and mixed coins.

"Uncurrent coins are whole U.S. coins which are merely worn or reduced in weight by natural abrasion, yet are readily and clearly recognizable as to genuineness and denomination and which are machine countable. These coins are redeemed at face value only at the Federal Reserve banks and branches and must be shipped at the expense and risk of the owner. The Federal Reserve returns uncurrent coin to the Mint and the Federal Reserve cash account is reduced and the Mint's cash account is increased.

"Mutilated coins consist of bent, partial, fused and mixed coins. Bent coins are U.S. coins which are bent or deformed so as to preclude normal machine counting, but which are readily and clearly identifiable as to genuineness and denomination. Partial coins are U.S. coins which are not whole, but must be readily and clearly identifiable as to genuineness and denomination.

Bent and partial coins are redeemed on the basis of their weight and denomination category equivalent to the face value if such coins are presented separately by denomination group in lots of at least one pound for each category.

"Bent and partial coins not presented separately by denomination group will be considered mixed coins and will be redeemed at a lower rate that changes on the 15th day of January, April, July and October. These coins are redeemed only at the United States Philadelphia Mint and are shipped at the sender's risk and expense.

"Fused coins are U.S. coins which are melted to the extent that they are bonded together and the majority of which are readily and clearly identifiable as U.S. coins.

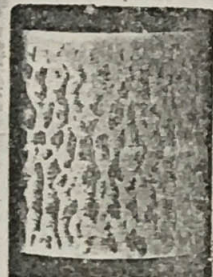
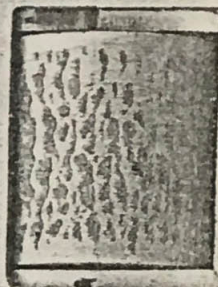
"Mixed coins are U.S. coins of several denomination groups which are presented together but are readily and clearly identifiable as U.S. coins. Mixed denominations of coins or lumps of coins which have been fused together will be redeemed by their weight and metal category.

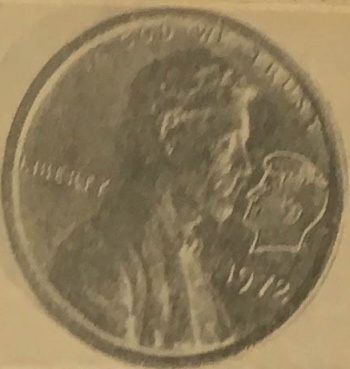
A minimum of two pounds of fused or mixed coins are required for redemption. These coins are redeemed only at the United States Philadelphia Mint and are shipped at the sender's risk and expense.

"Uncurrent coins are

received by the Mint from the various Federal Reserve Banks. Mutilated coins are received from the public through mail services, private courier or hand carried to the U.S. Mint Coin Redemption Branch. Uncurrent and mutilated coins are melted into bars and either (1) sold by GSA, (2) recycled (if the Mint is in the strip manufacturing business), or (3) transferred to vendors and used as a Government furnished material.

"Accountability for all three categories of coins are maintained within the Bullion Fund accounts until final disposition, i.e., sale, recycle or shipment to a government contractor. Upon final disposition, accounting transactions will reflect a gain or loss in the Bullion Fund as appropriate. A gain will be recognized as general fund revenue, and any losses as a reversal of seigniorage."





DEFACED 1972 LINCOLN PENNY

Coins are being sold to Denver stores by Chicago firm.

Defaced Pennies Being Sold in Area

Purposely defaced Lincoln pennies are being sold in the Denver area as collector's items, the U.S. Secret Service has learned. But, while the federal agency frowns on the practice, there's nothing legally it can do about it.

The pennies, being sold in at least a dozen stores in the Denver area for 40 cents each, have been stamped with a small portrait, a card attached to the coin describes as that of the late John F. Kennedy.

"We've got a file on the so-called Kennedy-looking-at-Lincoln penny," said Jack W. Warner Jr., assistant Secret Service director, when asked about the coin. "We frown on this sort of thing. We don't like the idea of people defacing the medium of exchange, but there's nothing we can do about it."

'SPITTING ON FLAG'

He said he compared the practice with "spitting on the American flag."

According to a spokesman at the Denver Secret Service office, the coins are being sold to Denver department and novelty stores by a Chicago firm, Management Consultants Associates.

A sample of that company's

literature show the coin and an information card it is glued to is sold for 35 cents in wholesale lots of fewer than 1,000, and 13 cents in lots of more than 1,000.

According to Robert O. Goff, Secret Service legal counsel in Washington, the manufacture and sale of the coin is "perfectly legal" even though it is clearly a defaced coin.

Goff said the federal coin mutilation law has been misinterpreted by most citizens.

'ELEMENT OF FRAUD'

"To have committed a crime," he said, "the mutilation must have been done fraudulently. This company tells you quite clearly what you are buying, and that eliminates the element of fraud."

The card the coin is glued to says: "This uncirculated Lincoln Head penny is stamped with a profile reproduction of John F. Kennedy looking at Lincoln. This unusual commemorative piece is truly a collector's item."

Warner said the only time someone who defaces or destroys a coin has broken a federal law is when he attempts to make the coin appear like one of different denomination, or extracts silver from the coin.

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ling the functions will deepen the financial commitment to either program."

Hartzog said he is less concerned about a recommendation that the Park Service drop its stewardship of national recreation areas. That whole concept is under administrative review, he said.

MIXED FEELINGS

Reed said he has mixed feelings about the role of recreation in the national parks system.

The Park Service could resolve some potential conflicts between preservation and recreation by creating sub-specialties within the service, he said. Reed questioned whether "we really believe the Congress and the American people want to start a new recreation agency."

"The park system shouldn't become recreation oriented, but we believe the Park Service is broad enough to run a diverse program," he said.

EXCISE TAX

The Conservation Foundation report recommends that a 5 per cent excise tax on recreation vehicles, and the equipment be instituted to place a \$1.5 billion floor under annual recreation funds to provide Park Service-managed recreation areas nearby urban centers. The recreation areas would stress natural values.

The entire Park Service budget for this year from all sources is \$440 million.

Hartzog said he feared that the floor could quickly become a ceiling as it has with the land

and water conservation fund, which contributed \$165 million last year to the Park Service budget.

Reed said it is a "political reality" that Congress is unalterably opposed to special taxes earmarked to fund specific programs. However, the land and water conservation fund is such an earmarked fund.

Both men said they welcomed the report as an addition to the dialogues over national parks. However, their response was largely negative. Although Reed said, "It pretty well tracks with what we have been trying to do in the past 18 months and accelerated in the past six months," he made it clear that there are important areas of disagreement.

"We are trying to separate the visitor from his automobile," Reed said. "However, I don't think the report recognizes the automobile is a prime people mover that won't be eliminated in the near future."

Hartzog said he believes so-called motor-nature trails are valid interpretive tools within national park monuments. "Basically, what we are dealing with is an urban population that for all the days of the year, except when they are in the park, are encouraged to stay in their cars, not leave their cars and lock up their cars," Hartzog said.

"You've got to introduce them to wilderness, and the motor-nature trail serves a very important purpose."

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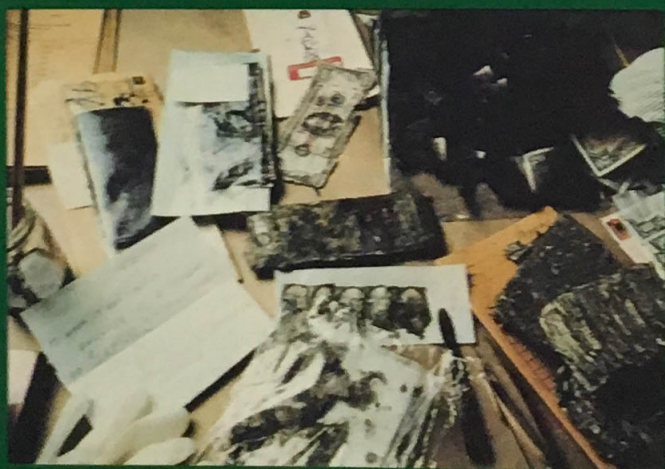
SALE

*Preparation and Redemption
of Mutilated U.S. Paper
Currency*



DEPARTMENT OF THE TREASURY

**BUREAU OF ENGRAVING
AND PRINTING**



PUBLIC SERVICE

Do you know what to do to replace badly damaged currency?

The Department of the Treasury, Bureau of Engraving and Printing, redeems partially destroyed or badly damaged currency as a free public service.

Every year the U.S. Treasury handles approximately 30,000 claims and redeems mutilated currency valued at over \$30 million.

The Office of Currency Standards, located in the Bureau of Engraving and Printing, uses experts to examine mutilated currency and will approve the issuance of a Treasury check for the value of the currency determined to be redeemable.

WHAT IS MUTILATED CURRENCY?

Currency notes which are:

- NOT CLEARLY more than one-half of the original note and/or,
- in such condition that the value is questionable and special examination is required to determine its value.

Currency can become mutilated in any number of ways. The most common causes are: fire, water, chemicals, explosives; animal, insect or rodent damage; and petrification or deterioration by burying.

Under regulations issued by the Department of the Treasury, mutilated United States currency may be exchanged at face value if:

- more than 50% of a note identifiable as United States currency is present; or,
- 50% or less of a note identifiable as United States currency is present, and the method of mutilation and supporting evidence demonstrates to the satisfaction of the Treasury that the missing portions have been totally destroyed.

Examples of Mutilated Currency



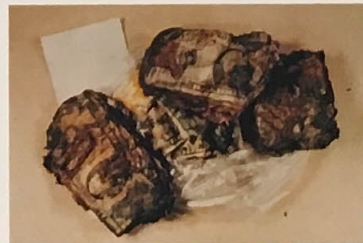
Burned Currency



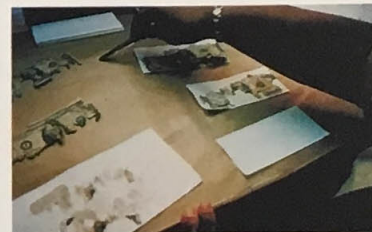
Currency Chemically Damaged



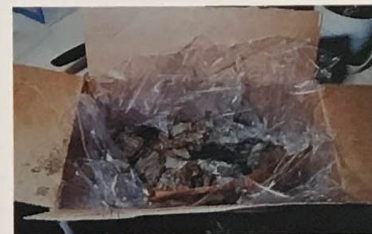
Currency from Explosives



Buried Currency



Damaged by Rodents/Insects



Damaged by Liquids

WHAT IS NOT MUTILATED CURRENCY?

Any badly soiled, dirty, defaced, disintegrated, limp, torn, worn out currency note that is CLEARLY MORE than one-half of the original note, and does not require special examination to determine its value.

These notes should be exchanged through your local bank and processed by the Federal Reserve Bank.

SHIPMENT OF MUTILATED CURRENCY

Mutilated currency may be mailed or personally delivered to the Bureau of Engraving and Printing. When mutilated currency is submitted, a letter should be included stating the estimated value of the currency and an explanation of how the currency became mutilated. Each case is carefully examined by an experienced mutilated currency examiner. The amount of time needed to process each case varies with its complexity and the case workload of the examiner.

The Director of the Bureau of Engraving and Printing has the final authority for the settlement of mutilated currency claims.

Although Treasury examiners are usually able to determine the amount and value of mutilated currency, careful packaging is essential to prevent additional damage.

The following procedures should be applied when packing mutilated currency:

1. Regardless of the condition of the currency, Do Not Disturb the fragments any more than is absolutely necessary.
2. If the currency is brittle or inclined to fall apart, pack it carefully in plastic and cotton without disturbing the fragments and place the package in a secure container.
3. If the currency was mutilated in a purse, box, or other container, it should be left in the container to protect the fragments from further damage.
4. If it is absolutely necessary to remove the fragments from the container, send the container along with the currency and any other contents that may have currency fragments attached.
5. If the currency was flat when mutilated, do not roll or fold the notes.
6. If the currency was in a roll when mutilated, do not attempt to unroll or straighten it out.
7. If coin or any other metal is mixed with the currency, carefully remove it. Any fused, melted, or otherwise mutilated coins should be sent to the:

Superintendent
U. S. Mint
Post Office Box 400
Philadelphia, PA. 19105
for evaluation.

For cases that are expected to take longer than 4 weeks to process, the Bureau of Engraving and Printing will issue a written confirmation of receipt.

MAILING ADDRESS

Department of the Treasury
Bureau of Engraving and Printing
Office of Currency Standards
P.O. Box 37048
Washington, D.C. 20013

All mutilated currency should be sent by "Registered Mail, Return Receipt Requested." Insuring the shipment is the responsibility of the sender.

Personal deliveries of mutilated currency to the Bureau of Engraving and Printing are accepted between the hours of 8:00 A.M. and 2:00 P.M., Monday through Friday, except holidays. The Office of Currency Standards is located at 14th and C Streets, S.W., Washington, D.C.

Preparation and Redemption of Mutilated U.S. Paper Currency



**DEPARTMENT OF THE TREASURY
BUREAU OF ENGRAVING
AND PRINTING**



Mutilation of Paper-Currency / Coins

ACD P P 12 FY 92
83
THE LIBRARY OF CONGRESS
525 LEXINGTON AVENUE

